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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re: : Chapter 11
BLOCKFI INC., *et al.*¹ : Case No. 22-19361 (MBK)
Debtors. : (Jointly Administered)

X

**RESPONSE TO DEBTORS' MOTION TO QUASH THREE ARROWS DEPOSITION
NOTICES AND REQUEST FOR PROTECTIVE ORDER**

¹ The debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965); and BlockFi Lending II LLC (0154) (the "**BlockFi Debtors**"). The location of the BlockFi Debtors' service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

Russell Crumpler and Christopher Farmer, in their capacities as the joint liquidators (collectively, the “**Joint Liquidators**”) appointed in the British Virgin Islands (“**BVI**”) liquidation of Three Arrows Capital, Ltd. (in liquidation) (the “**3AC Debtor**”) and foreign representatives of the 3AC Debtor, as recognized pursuant to chapter 15 of the Bankruptcy Code, by and through the undersigned counsel, hereby submit this response (this “**Response**”) to the *Debtors’ Motion to Quash Three Arrows Deposition Notices and Request for Protective Order* [ECF No. 1490] (the “**Motion to Quash**”). In support of this Response, the 3AC Debtor respectfully states as follows:

1. The BlockFi Debtors filed a motion seeking estimation of the 3AC Debtor’s claims at \$0 for distribution purposes [ECF No. 1346] (the “**Estimation Motion**”) on August 11, 2023 and an objection to the 3AC Debtor’s claims [ECF No. 1375] (the “**Claim Objection**”) on August 21, 2023. The BlockFi Debtors scheduled the Estimation Motion and Claim Objection for hearing on September 20, 2023. The BlockFi Debtors filed a declaration of Mark Renzi, their Chief Restructuring Officer, in support of the Estimation Motion. ECF No. 1346-1. In his declaration Mr. Renzi opined that “estimation is necessary to prevent undue delay of implementation and consummation” of the BlockFi Debtors’ chapter 11 plan. *Id.* ¶ 10.

2. In preparation for what purported to be a merits hearing on the 3AC Debtor’s claims, on September 7, 2023, the 3AC Debtor served a notice to depose Mr. Renzi on, among other topics, the basis for his opinion that estimation of the 3AC Debtor’s claims is necessary to avoid undue delay and served requests for production related to the basis for estimation. The 3AC Debtor also served notices to depose Zachary Prince, Yuri Mushkin, and Brian Oliver, each of whom the 3AC Debtor believes to have knowledge of the BlockFi Debtors’ transactions with the 3AC Debtor that is relevant to the 3AC Debtor’s claims, as well as a Rule 30(b)(6) deposition notice. On September 13, 2023, the BlockFi Debtors filed the Motion to Quash requesting an

order quashing the 3AC Debtor's deposition notices and entry of a protective order on the basis that they did not permit "reasonable time for the Debtors to comply with the 3AC Notices," Mot. to Quash ¶ 12, and the topics in the Rule 30(b)(6) notice are "overly broad" and "irrelevant" to the issues before the Court regarding the basis for estimation. *id.* ¶ 13.

3. As discussed herein, their Motion to Quash on the ground that the BlockFi Debtors were not afforded sufficient time to comply is now moot given that the depositions have been adjourned and the hearing on the Estimation Motion (if any) and Claim Objection have not yet been set. Indeed, on September 14, 2023, the 3AC Debtor agreed to adjourn the deposition notices based on the BlockFi Debtors' representations that the September 20 hearing would be treated solely as a status conference and that the BlockFi Debtors would not seek to be heard on the merits of the Estimation Motion or Claim Objection at that hearing. As of the date hereof, the 3AC Debtor's deposition notices have not been rescheduled.

4. A scheduling conference on the Estimation Motion and Claim Objection is set for October 10, 2023. The 3AC Debtor's motion for relief from the automatic stay [ECF No. 1492] and motion requesting a joint judicial conference among the various courts where similar claims being pursued by the 3AC Debtor are currently pending [ECF No. 1623] are also scheduled to be heard on October 10, 2023. Each of these matters implicates the venue, process, and schedule for adjudication of the merits of the 3AC Debtor's claims.

5. On September 27, 2023, the BlockFi Debtors filed a notice of a proposed order (the "**Proposed Scheduling Order**") establishing a schedule for litigation on the Estimation Motion and Claim Objection [ECF No. 1614]. The BlockFi Debtors did not provide any advanced notice that they would be filing the Proposed Scheduling Order, let alone engage with the 3AC Debtor regarding the litigation schedule proposed therein. The 3AC Debtor does not agree to the schedule

proposed by the BlockFi Debtors and will seek to engage with the BlockFi Debtors in advance of the October 10 hearing in an effort to reach agreement on a consensual schedule for litigating the merits of the 3AC Debtor's claims. Absent an agreement among the parties, the 3AC Debtor intends to file its own proposed litigation schedule on October 6, 2023.

6. The 3AC Debtor respectfully submits that any scheduling order should establish a deadline for designation of fact and expert witnesses (the BlockFi Debtors propose only a deadline for designation of experts) and deadlines for depositions of any such witnesses, including those addressed in the instant Motion to Quash.

7. The BlockFi Debtors also assert in conclusory fashion that the Rule 30(b)(6) notice should be quashed because the topics are "overly broad" and "many of the topics listed . . . are wholly irrelevant to the issues before this Court regarding the requirements for estimation pursuant to Section 502(c) of the Bankruptcy Code." Mot. to Quash ¶ 13. The Motion to Quash on these grounds should be denied because the BlockFi Debtors fail to state any basis to limit the Rule 30(b)(6) topics. The BlockFi Debtors do not explain how it is that the topics are overbroad and likewise do not explain why the topics are irrelevant other than the statement that certain topics go beyond issues relating to the basis for estimation under Section 502(c). *Id.* The basis for estimation, however, is not the only issue currently in dispute; rather, the BlockFi Debtors have put the merits of the 3AC Claims in issue before this Court by the Estimation Motion and Claim Objection, each of which the BlockFi Debtors' acknowledge "contest the validity of the 3AC Claims" on the merits. *Id.* ¶ 4. Notably, the BlockFi Debtors' do not contend that the Rule 30(b)(6) topics are irrelevant to the merits of the 3AC Debtor's claims—only that they are irrelevant to the basis for estimation. Because each of the topics in the Rule 30(b)(6) notice is relevant to an issue

currently in dispute—*i.e.*, the merits of the 3AC claims and/or the basis for estimation—the request to quash on the basis of relevancy should be denied.

8. Moreover, the BlockFi Debtors’ attempt to limit the Rule 30(b)(6) topics is premature as they have not sought to meet and confer with the 3AC Debtor regarding the Rule 30(b)(6) notice or the topics. The 3AC Debtor respectfully submits that the BlockFi Debtors should be required to meet and confer with the 3AC Debtor regarding the Rule 30(b)(6) topics before asking this Court to enter an order limiting such topics.

9. For these reasons, the Court should deny the Motion. The 3AC Debtor reserves all rights to supplement and amend this Response and be heard on the merits of the Motion to Quash in the event that the Motion to Quash is not resolved prior to, or by entry of an appropriate scheduling order at, the October 10 hearing.

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Dated: October 3, 2023
Holmdel, New Jersey

Respectfully submitted,

/s/ John W. Weiss

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